

AMENDED IN ASSEMBLY JULY 12, 2007

AMENDED IN ASSEMBLY JUNE 18, 2007

AMENDED IN SENATE APRIL 17, 2007

AMENDED IN SENATE APRIL 9, 2007

**SENATE BILL**

**No. 541**

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**Introduced by Senator Alquist**

February 22, 2007

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An act to amend Section 798.74 of the Civil Code, relating to mobilehomes.

LEGISLATIVE COUNSEL'S DIGEST

SB 541, as amended, Alquist. Mobilehome parks.

The Mobilehome Residency Law grants the management of a mobilehome park the right of prior approval of a purchaser of a mobilehome that will remain in the park, as specified. Under that law, approval by the management cannot be withheld if the purchaser has the financial ability to pay the rent and charges of the park unless the management reasonably determines that, based on the purchaser's prior tenancies, he or she will not comply with the rules and regulations of the park. Under that law, the management may require a purchaser to document the amount and source of his or her gross monthly income or means of financial support.

This bill would additionally provide that in determining whether the purchaser has the financial ability to pay the rent and charges of the park, the management shall not withhold approval based solely on the purchaser's failure to evidence an income that satisfies any minimum income requirement of the park. The bill would require the management

to consider, in addition to income, and, if provided by the purchaser, the purchaser's financial assets, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 798.74 of the Civil Code is amended to  
2 read:

3 798.74. (a) (1) The management may require the right of prior  
4 approval of a purchaser of a mobilehome that will remain in the  
5 park and that the selling homeowner or his or her agent give notice  
6 of the sale to the management before the close of the sale. Approval  
7 cannot be withheld if the purchaser has the financial ability to pay  
8 the rent and charges of the park unless the management reasonably  
9 determines that, based on the purchaser's prior tenancies, he or  
10 she will not comply with the rules and regulations of the park.

11 (2) In determining whether the purchaser has the financial ability  
12 to pay the rent and charges of the park, all of the following shall  
13 apply:

14 (A) The management shall not require the purchaser to submit  
15 copies of any personal income tax returns in order to obtain  
16 approval for residency in the park.

17 (B) The management may require the purchaser to document  
18 the amount and source of his or her gross monthly income or means  
19 of financial support.

20 (C) The management shall not withhold approval based solely  
21 on the purchaser's failure to evidence an income that satisfies any  
22 minimum income requirement of the park.

23 (D) In addition to income, the management shall consider, if  
24 provided by the purchaser, the purchaser's other financial assets,  
25 *whether or not income producing*, including, but not limited to,  
26 savings accounts, certificates of deposit, stock portfolios, trust  
27 interests of which the purchaser is a beneficiary, real property, and  
28 similar financial assets *that can be liquidated or sold*.

29 (3) Upon request of a prospective homeowner who proposes to  
30 purchase a mobilehome that will remain in the park, management  
31 shall inform that person of the information management will  
32 require in order to determine if the person will be acceptable as a  
33 homeowner in the park.

1 (4) Within 15 business days of receiving all of the information  
2 requested from the prospective homeowner, the management shall  
3 notify the seller and the prospective homeowner, in writing, of  
4 either acceptance or rejection of the application, and the reason if  
5 rejected. During this 15-day period the prospective homeowner  
6 shall comply with the management's request, if any, for a personal  
7 interview. If the approval of a prospective homeowner is withheld  
8 for any reason other than those stated in this article, the  
9 management or owner may be held liable for all damages  
10 proximately resulting therefrom.

11 (b) If the management collects a fee or charge from a prospective  
12 purchaser of a mobilehome in order to obtain a financial report or  
13 credit rating, the full amount of the fee or charge shall be credited  
14 toward payment of the first month's rent for that mobilehome  
15 purchaser. If, for whatever reason, the prospective purchaser is  
16 rejected by the management, the management shall refund to the  
17 prospective purchaser the full amount of that fee or charge within  
18 30 days from the date of rejection. If the prospective purchaser is  
19 approved by the management, but, for whatever reason, the  
20 prospective purchaser elects not to purchase the mobilehome, the  
21 management may retain the fee, or a portion thereof, to defray its  
22 administrative costs under this section.